

Message Text

CONFIDENTIAL

PAGE 01 PANAMA 06045 231825Z
ACTION SAB-02

INFO OCT-01 ISO-00 SSO-00 SS-15 ARA-10 L-03 /031 W
-----020733 231827Z /43

O 231739Z AUG 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC IMMEDIATE 3329

C O N F I D E N T I A L PANAMA 6045

STADIS//////////

FOR AMBASSADOR BUNKER FROM WYROUGH

EO 11652: GDS
TAGS: PN, PBOR, PQ
SUBJECT: PANAMA CANAL TREATY: EMPLOYEE ASSURANCES

REF: PANAMA 5983

1. I LUNCHEDED WITH CAPTAIN WILLIAMS OF THE PILOTS' ASSOCIATION YESTERDAY. HE IS TRAVELLING TO WASHINGTON TODAY AND HOPES TO MEET WITH YOU ON WEDNESDAY, AUGUST 24.

2. HE WANTS THREE COMMITMENTS IN THE TREATY: (A) AN EARLY RETIREMENT POLICY MORE LIBERAL THAN THE CURRENT POLICY (EARLY RETIREMENT ELIGIBILITY IN CASE OF RIF OR ADVERSE ACTION ONLY WITH 20 YEARS OF SERVICE AT 50 YEARS OF AGE OR 25 YEARS OF SERVICE AT ANY AGE) MADE AVAILABLE IN BINDING FORM AT THE TREATY'S INCEPTION; (B) OPEN-ENDED APPLICATION THROUGH THE TREATY'S LIFE IN PLACE OF THE ORDINARY ONE-TIME PERIOD OF 90 DAYS OR SO FOLLOWING NOTICE OF RIF OR ADVERSE ACTION; AND (C) A DETERMINATION THAT THE TREATY CONSTITUTES AN ADVERSE JOB ACTION (AND, HENCE, ELIGIBILITY FOR AVAILABLE EARLY RETIREMENT BENEFITS AND/OR PRIORITY JOB PLACEMENT) FOR ALL REPEAT ALL CURRENT ELIGIBLE EMPLOYEES IN PLACE OF THE CURRENT NARROWER
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VIEW THAT ONLY THOSE WORKERS WHOSE PARTICULAR JOBS ARE AFFECTED WILL BE ELIGIBLE.

3. WILLIAMS VIEWS THE ELEMENTS OF HIS PROPOSAL AS INTERDEPENDENT. HE CONSIDERS THAT ONLY SOMETHING EXPLICIT AND BINDING ALONG THESE LINES WOULD SATISFY MOST LABOR ELEMENTS AND OPERATE TO AVOID WHAT HE AND

MOST LOCAL LABOR LEADERS PREDICT AS THE MASS EXODUS THAT WILL RESULT FROM THE EXISTING TREATY. SOME COMPROMISE SHOULD BE POSSIBLE, IN MY VIEW, THAT ADDRESSES LABOR'S CONCERNS WHILE MEETING MANAGEMENT'S FEARS THAT TOO CONCILIATORY AND LIBERAL A POLICY WILL STIMULATE AND FACILITATE THE EXODUS THAT ALL RESPONSIBLE OFFICIALS WANT TO AVOID. FOR EXAMPLE, A TRULY VIGOROUS PRIORITY PLACEMENT PROGRAM APPLIED TO ALL CURRENTLY ELIGIBLE EMPLOYEES FOR SOME EXTENDED TIME BUT SHORT OF THE TREATY'S FULL DURATION MIGHT MITIGATE THE NEED FOR LIBERALIZATION OF THE AGE AND YEARS-OF-SERVICE REQUIREMENTS FOR EARLY RETIREMENT FOR SOME EMPLOYEES (ALBEIT, WILLIAMS ARGUES, NOT FOR PILOTS). I OFFER THIS KNOWING: (A) THAT WILLIAMS ARGUES THAT HIS PILOTS FACE A BURN-OUT TIME THAT IS MUCH SHORTER THAN THE AVERAGE EMPLOYEE'S TERM OF SERVICE, AND (B) THAT MANAGEMENT ARGUES THAT AN OPEN-ENDED PRIORITY PLACEMENT SYSTEM COMPLICATES PERSONNEL MANAGEMENT. BUT I DO SO OUT OF THE CONVICTION THAT SOME FURTHER ACTION IS NEEDED IF WE ARE TO PRESERVE THE PERSONNEL SKILLS IN THE EARLY YEARS OF TRANSITION THAT ARE NEEDED TO OPERATE THE CANAL.

4. WILLIAMS IMPRESSES ME AS ONE LABOR LEADER WHO RECOGNIZES THAT A RATIFIED TREATY OFFERS THE BEST HOPE FOR THE FUTURE. HE SEEMS TO SHARE OUR VIEW
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THAT THE TREATY REPRESENTS THE COURSE WITH THE FEWEST, MOST MANAGEABLE PROBLEMS. WHILE HIS POSITION AS HEAD OF THE PILOTS PREVENTS HIS PUBLIC SUPPORT OF THE TREATY HE IS A PERSON WHO COULD HELP IN SHAPING LABOR VIEWS. HE WANTS TO BARGAIN AND, IS LOOKING FOR SOMEONE TO BARGAIN WITH. HE SEEMS TO VIEW RESOLUTION OF THE RETIREMENT QUESTION AS A MEANS OF MANAGING THE ORGANIZATIONAL PRESSURES ON HIM TO OPPOSE THE TREATY. IN THE BROADER VIEW, HE SEES THE RESOLUTION OF THE PROBLEM AS THE KEY TO KEEPING THE CANAL FUNCTIONING EFFICIENTLY AND TO OBTAINING LABOR'S SUPPORT FOR A TREATY.

5. IN OUR DISCUSSION YESTERDAY CAPTAIN WILLIAMS ACKNOWLEDGED THAT THE RECENT DECISION TO GRANT PRIORITY PLACEMENT FOR SELECTED EMPLOYEES WAS A POSITIVE STEP TOWARD HIS POSITION. HE ARGUES, HOWEVER, THAT IT IS NOT ENOUGH AND I AGREE. YOU HAVE ALREADY SEEN AMBASSADOR JORDEN'S VIEWS ON THIS MATTER (PANAMA 5983). HE CONCURS IN MY VIEWS EXPRESSED IN THIS MESSAGE. IN CONCLUSION, I BELIEVE THAT SOME WHITE HOUSE INTERVENTION IS PROBABLY NEEDED TO ADDRESS WILLIAMS' CONCERNS,

TO DISPEL THE WORKERS' BELIEF THAT THEY HAVE BEEN
ABANDONED, AND TO KEEP IN PLACE THE SKILLS NEEDED
TO GET US THROUGH THE INITIAL TRANSITION PERIOD.

JORDEN

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